

A S S E S S M E N T F . A . Q . S

FREQUENTLY ASKED QUESTIONS

What is the difference between the Assessed Value & Taxable Value of my home?

Assessed Value is defined by state law as 50% of the market value of the property as of December 31st of the preceding year. Taxable Value is derived from a formula created by Proposal A in 1994, designed to limit Taxable Value increases at the rate of inflation.

How is my Assessed Value calculated?

All Assessed Values are calculated according to State Tax Commission standards. This value is shown as the State Equalized Value or SEV on your tax statement. It is a mass appraisal technique that takes into account the current cost to replicate your house and then depreciates that cost based on the age of the structure. It is then adjusted to market value by comparing the depreciated cost of homes that have sold in your area to their sales price. Each year, the Assessor is required by law to analyze sales within economic neighborhoods using a two-year sales study to adjust that neighborhood so that assessed values are at 50% of market value.

How is my Taxable Value calculated?

The term Taxable Value was used in the 1994 constitutional amendment known as Proposal A to replace SEV in the property tax equation to calculate property tax bills. The first step in the process of determining Taxable Value is to calculate the Capped Value of every parcel of assessable property using the following formula:

CAPPED VALUE FORMULA:

$$\text{Prior Taxable Value} - \text{Taxable Value of Losses} * \text{Lesser of 5\% or CPI Multiplier} + \text{Taxable Value of Additions} \\ = \text{Capped Value}$$

CPI is the Consumer's Price Index (Inflation rate) as calculated by the State of Michigan each fall. The legislature has defined Taxable Value to be the lesser of SEV or Capped Value. Assessors are required to annually calculate a Capped Value for each individual parcel of real property. The Capped Value is then compared to the SEV of that property, and the lower of the two will be its Taxable Value upon which taxes are levied. The year following an eligible transfer of ownership, the SEV of the transferred property set in that year is its Taxable Value.

I just purchased my home. Shouldn't the assessed value be half of what I paid?

No. By state law, a home's Assessed Value is not half its purchased price, but half of its market value. Section 211.27(5) of Michigan Compiled Law states "Beginning December 31, 1994, the purchase price paid in a transfer of property is NOT the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an Assessing Officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction." Also, please see the State Tax Commission's Bulletin No. 19, 1997 on "Illegal Practices of A: "Following Sales" and B: "Assessing over 50%"

I recently purchased a home. Will my taxes on this property be about the same amount as the prior owner's taxes?

No. Until 1994, property was valued for tax purposes at half its market value. This is called "State Equalized Value" or SEV. In 1994 voters passed Proposal A, which limited the growth of property tax assessments. The formula under Proposal A keeps the Taxable Value of a property from growing as fast as the SEV. This gap can increase over time. However, in the year following an eligible transfer of ownership, the Taxable Value is uncapped and is made equal to the SEV, but only for that year following the transfer of ownership. When a parcel is uncapped there could be a substantial increase in the tax depending on the difference between the Taxable Value and the State Equalized Value of the property. See above for Taxable Value Calculation explanation.

My neighbor & I have very similar homes. Why is my tax bill higher than theirs?

As mentioned above, there are two distinctly different numbers associated with each property. The SEV represents half the property's market value and Taxable Value which is a multiplier in your tax bill. If you have a home that is truly similar to your neighbor's home your SEV should be about equal to theirs; however, the Taxable Values would probably not be the same. Since the passage of Proposal A in 1994 the Taxable Value is used to calculate tax bills. Each Taxable Value will depend on the Capped Value formula and whether or not there has been a transfer of ownership or a CPI increase. The Taxable Value calculation is also subject to any additions and/or losses to the property. SEV and Taxable Value are not the same and should not be compared when calculating a tax bill.

The calculation for your tax bill is as follows:

Taxable Value * Voter Approved Millage Rate = Property Tax Bill.

How can I find what information you have on my property?

Assessment information on your property is public record, and the Township has a public computer available for your use to look up tax and assessing information. For a small fee you may also obtain copies of Assessment Record Cards, which are available through the Assessor's Office, located in Township Hall at 22950 Huron River Drive, New Boston, MI 48164

Why did my taxes go up so much this year?

There are several factors that affect your tax rate:

1. The Taxable Value of a property is adjusted each year based on the Consumer's Price Index (CPI). An increase in taxable value will result in an increase in your taxes.
2. A Millage increase will cause your taxes to increase. Your tax bill includes voter authorized Millage for Township, County, State Education, miscellaneous school taxes, and other voter approved Millages. Your tax bill is based on your home's taxable value multiplied by the Millage rate.
3. You purchased a home. Proposal A, which was passed in 1994, places an annual cap on the growth of property tax assessments; however, when the home is sold, the cap comes off and the assessment reverts to the State Equalized Value (SEV) of the year following an eligible transfer of ownership.
4. You may not be taking advantage of the Principal Residence/Homestead Exemption.

5. You may have added something new to the property which in turn can increase both the assessed and taxable value of the property, i.e. central air conditioning, new deck or porch, new bathroom, new basement finish, new square footage, new garage, etc.

What if I disagree with the Assessed or Taxable Value placed on my property?

Check the records of the Assessing Office. If you disagree with the assessment, and wish to proceed with filing an appeal, you will need to schedule an appointment to appear before the March Board of Review. The March Board of Review has jurisdiction on valuation appeals for the current year only. You may not (by state law) dispute prior year valuation at the March Board of Review. Once the March Board of Review closes its public meeting, the assessment roll is closed and certified. No further changes can be made except those allowed by state law...i.e. clerical error, mutual mistake of fact, qualified error, Principal Residence Exemption/Homestead corrections, Michigan Tax Tribunal or State Tax Commission judgments.

What if I am not satisfied with the Board of Review's decision on my appeal?

You have the right to file an appeal with the Michigan Tax Tribunal. This appeal must be filed with the Michigan Tax Tribunal on or before June 30th of the current year. Failure to appear before the March Board of Review before hand may eliminate your right to appeal your value at the Tribunal.

Who qualifies for the Principal Residence/Homestead exemption?

If you own and occupy your principal residence, it may be exempt from a portion of your local school operating taxes. To claim an exemption, you must complete the Principal Residence Exemption Affidavit and file it with the Assessor's office by May 1st of the year of the claim. The Assessor's Office will adjust your taxes on your next property tax bill. Note that this is an exemption from part of the property taxes and does not affect your assessment. You must own and occupy your principal residence to receive this exemption.

Owning means you hold the legal title to the principal residence or that you are currently buying it on a notarized or recorded land contract. If the property is a rental, there should not be a homestead being claimed by the owner.

Landlords should NOT file this form.

Occupying means this is your principal residence, the place you intend to return to whenever you go away. It is the address that appears on your driver's license and voter registration card. It is where you file your income tax from.

You may have only one principal residence at a time. Vacation Homes and Income property which you do not occupy as your principal residence may not be claimed. You may also file an exemption(s) if you own vacant and contiguous land next to your homestead property.

If the State of Michigan conducts an investigation, or if it is determined that you claimed property that is NOT your principal residence, you will be subject to the additional tax plus penalties and interest as determined by law.

I haven't claimed principal residence exemption on my home. What do I do?

Contact our Assessing Department at (734) 753-4466 or obtain the form from our website. Filing is necessary to correct your homestead status. Recent tax law changes allow the Township to correct the homestead status for the current year, and with Board of Review approval, three prior years. After Board of Review approval, if you are due a refund from prior year's tax payments, your refund will be issued by the Wayne County Treasurers Office.

Rescinding your Principal Residence Exemption: If you claim an exemption, then stop using the property as a principal residence, you must notify the Township Assessor within 90 days of the change or you may be penalized. This can be done by filing Form 2602, Request to Rescind Homeowner's Principal Residence Exemption available on our website at www.hurontownship-mi.gov

Property Transfers

Questions & Answers on [Transfer of Ownership Guidelines](#).

What is a Property Transfer Affidavit?

A Property Transfer Affidavit MUST be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the Assessor to ensure the property is assessed properly and receives the correct Taxable Value. **It must be filed by the new owner with the Assessor for the City or Township where the property is located within 45 days of the transfer. If it is not filed timely, a penalty of \$5/day (maximum \$200) applies.** The information on this form is NOT confidential. Transfer of ownership means the conveyance of title or the beneficial use of the property. There are both partial and whole transfers of ownership. The Assessor's office will determine the correct percentage and uncap the Taxable Value accordingly. Please see Taxable Value Calculation listed above for more information.

Real Property Statements

What is a Real Property Statement and why are you asking me this information?

The Michigan Supreme Court has ordered that information about the financing of property sales must be gathered. The purpose is to determine whether favorable financing provided by the seller may have caused the sale price to increase, i.e. mortgage amounts, interest rates, and any personal property received by the buyer, etc. If so, any increase in price due to the favorable seller-provided financing must be removed before the sale is considered for property assessment study purposes. Information disclosed on Real Property Statements is strictly CONFIDENTIAL and will only be shared by the Assessor, State Tax Commission, County Equalization Department, and others involved in and for the determination of assessments.

MISCELLANEOUS ITEMS

Moving?

If you are moving, please inform the Assessor's Office in writing as soon as possible. Our mailing address is: Assessor's Office, 22950 Huron River Drive, New Boston, MI 48164.

Name Change?

If you recently married and wish to change your name on Huron Township records, please supply the Assessor's Office with a short note letting us know you would like to change your name, include a copy of your marriage license and/or a copy of your driver's license (with picture) reflecting your new name, and we will change it.

If someone on the deed of your property has passed away and you would like their name removed from your Township of Huron records, please supply the Assessor's Office with a copy of the death certificate and a short note letting us know you would like the name removed and we will change the accounts. If you continue to own and occupy the property, a Homeowner's Principal Residence Exemption should be completed in just your name and submitted with the other requested information.

PLEASE NOTE: Using a marriage license or death certificate to change/remove a name from The Township of Huron records will NOT change the deed of your property. Any changes to deeds are done through the Wayne County Register of Deeds located in Detroit. Their telephone number is (313) 224-5850 or their website is <http://www.waynecountylandrecords.com/>.